



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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FRAUD CHARGES LEVELED AGAINST FIVE VALLEY COMPANIES & FIVE METRO AREA RESIDENTS

PHOENIX – The Securities Division of the Arizona Corporation Commission issued a temporary cease and desist order against five Arizona companies and their directors for securities fraud and activities associated with the offer and sale of unregistered securities in the form of promissory notes and corporate bonds. Cited were:

- Creative Financial Funding, L.L.C.,
- American Money Power, Inc., (AKA Money Power), and
- U.S. Federal Financial Corporation, all of Tempe;
- Corporate Fiducial Services, Inc. of Phoenix,
- Federal Capital, L.L.C. of Cave Creek and
- Paul J. Meka from Scottsdale; Larry Dunning, a Paradise Valley resident; Robert K. Rehm of Cave Creek; and Tom Gaffney and Derreck Manteau, both residents of Tempe.

In its order, the Division alleges that ads placed in *The Arizona Republic* and *Arizona Senior World* solicited investors to purchase promissory notes and corporate bonds to fund mortgages on Arizona property. Meka, Dunning, Rehm, Gaffney and Manteau allegedly sought to raise one million dollars by offering similar investment programs through at least three different companies. The individuals named are not registered to offer or sell securities in this state, nor are the companies or investments registered as required by the Arizona Securities Act.

The Securities Division further alleges that the individuals involved fraudulently misrepresented or failed to disclose important information to investors. The cease and desist order charges that they falsely claimed that the

offerings were for accredited investors, when, on some occasions, the salespeople stated that they were willing to accept funds from unaccredited investors. Conflicting written documentation regarding the role of the investor and the security of the investments offered was also cited as reason for the charges.

The Securities Division is seeking a permanent cease and desist order against Creative Financial Funding, Money Power, Federal Capital, Corporate Fiducial Services and U.S. Federal Financial Corporation. The Division also seeks a permanent cease and desist order against Meka, Dunning, Rehm, Gaffney, and Manteau, along with payment of administrative penalties and restitution to all identified investors. Each of the respondents can request a hearing to contest the allegations. If they fail to request a hearing, the Securities Division may pursue a default judgment against them.

Investors can obtain registration and licensure information by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242, toll free at 1-877-811-3878, or through its website at www.ccsd.cc.state.az.us.

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